

# **Demaecan**

## **2<sup>nd</sup> Quarter Results**

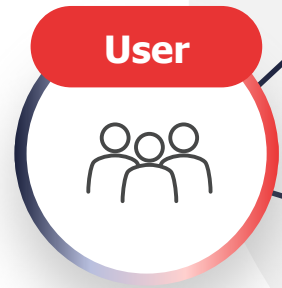
March 26, 2021

# **Business Highlights**

# 2Q Highlights



Active Users  
**5.82M**  
YoY 182%



User

GMV  
**40.3B** JPY  
YoY 178%



Merchant

**59K** Merchants  
YoY 279%



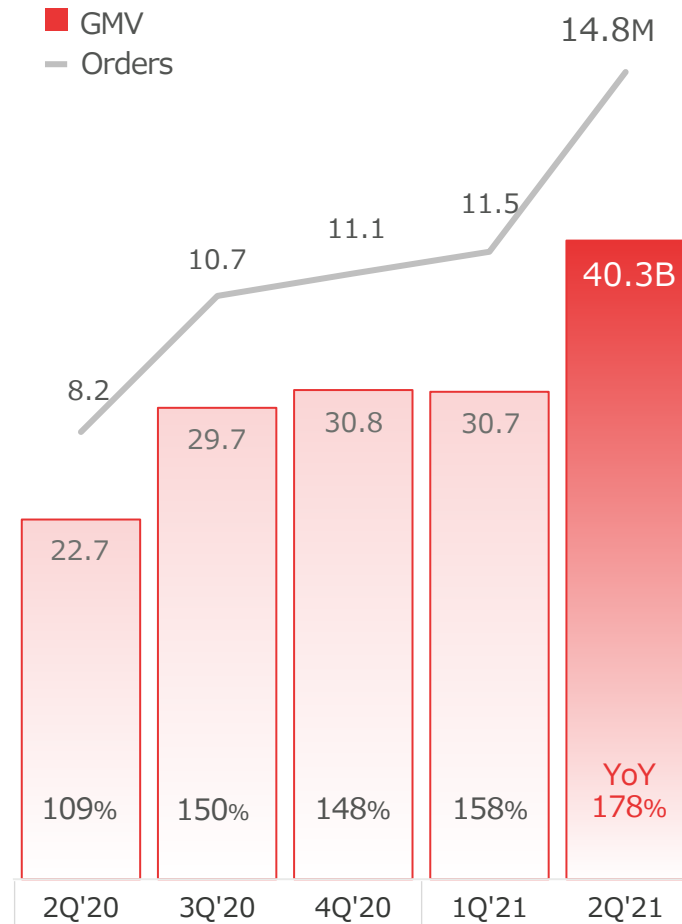
Delivery

Sharing Delivery  
Household Coverage  
**39%**

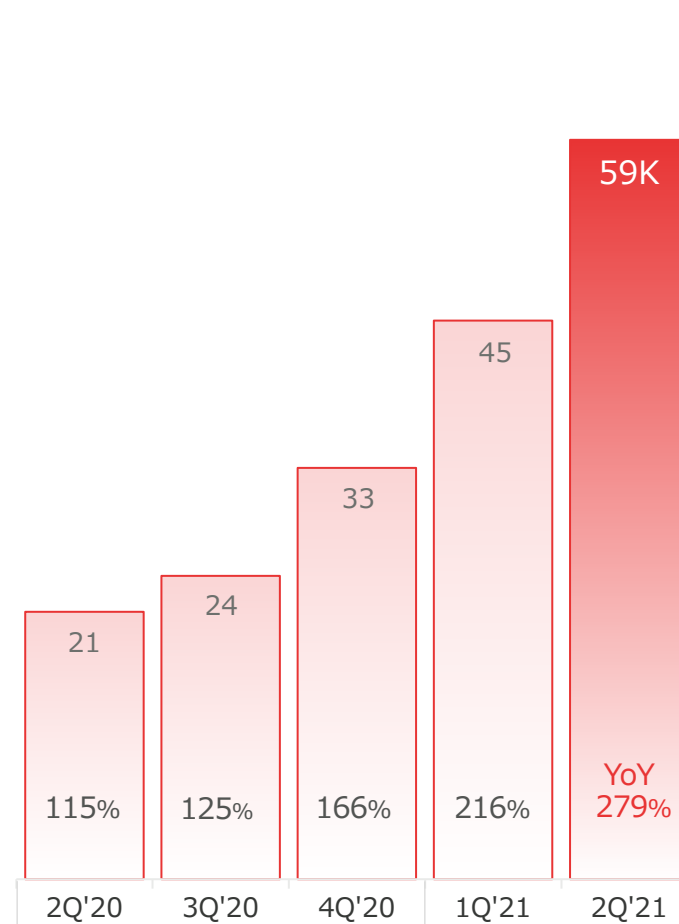
# All key KPIs making significant YoY growth



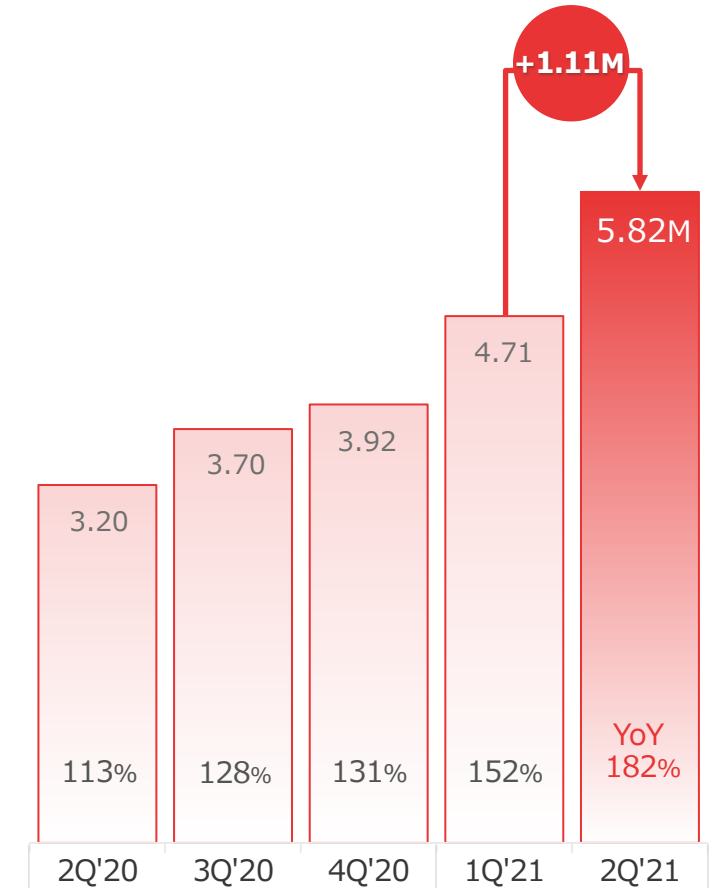
## GMV / Orders



## Merchants



## Active Users



Merchants and Active Users are as of quarter end

GMV (Gross Merchandise Value) : order value (incl. tax) + delivery fee (incl. tax)  
 Active Users : Users who placed more than one order within the last twelve months (unique users)

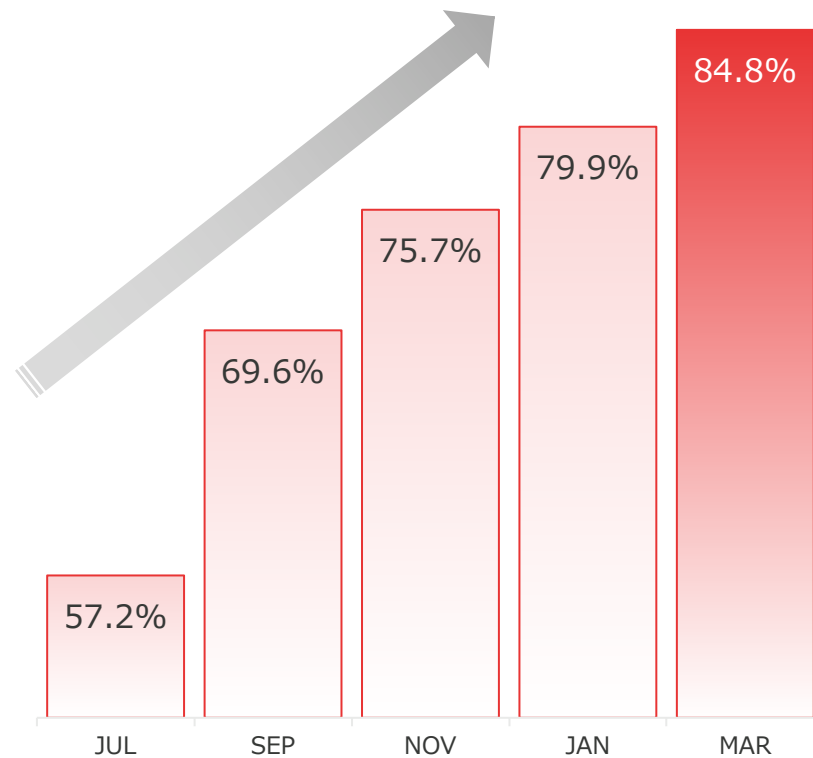
# TV commercials & campaigns boosted brand awareness

Ranked **3<sup>rd</sup>** most favorite TV commercial<sup>1</sup>

Brand recognition increased **27.6pt**<sup>2</sup>



## Brand recognition uplift



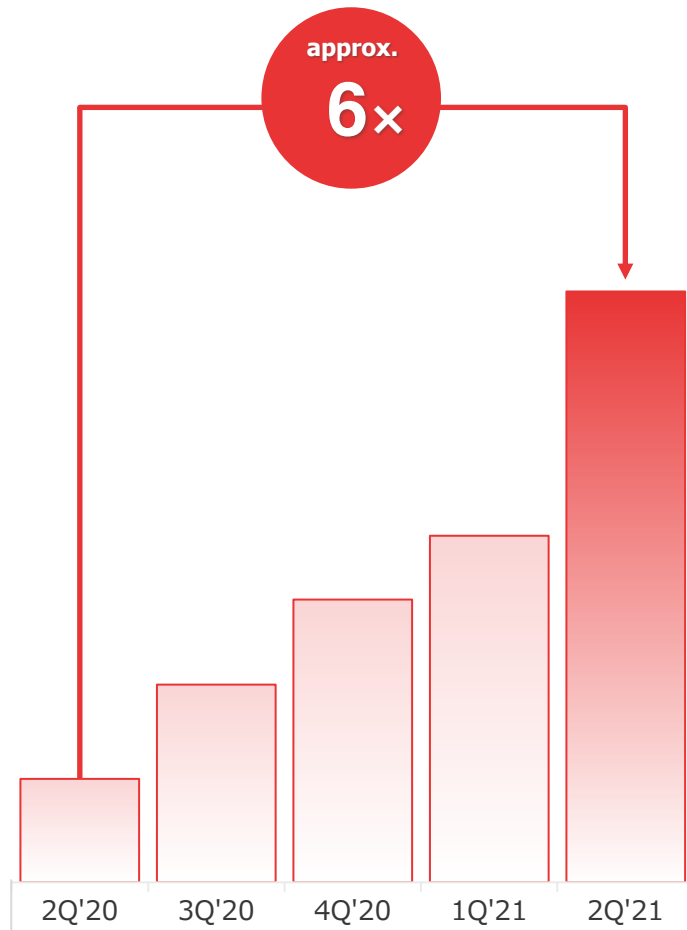
1. Source: CM Soken Consulting  
 Among 2,661 TV ads aired on five flagship stations in Tokyo during the period of Dec.20,2020 to Jan.19, 2021.  
 Survey based on 3,000 people living in Kanto region.

2. Based on a smartphone survey using "LINE Research Platform" conducted during Mar.3~6, 2021 by Demae-can.  
 Survey based on 2,500 male/female between 15 to 69 y/o.

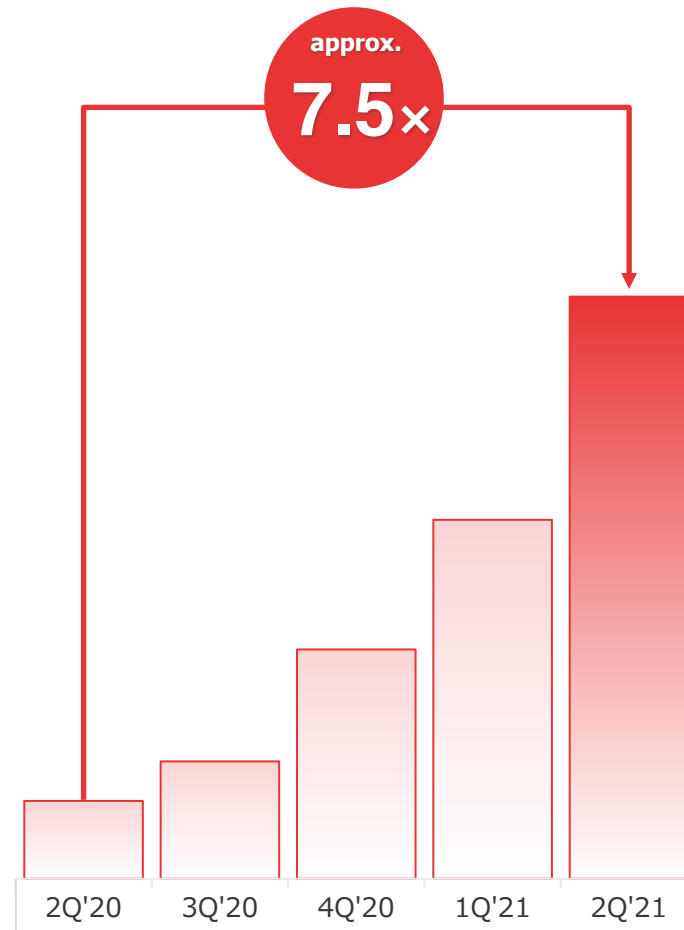
# Sharing Delivery GMV accelerating 6x



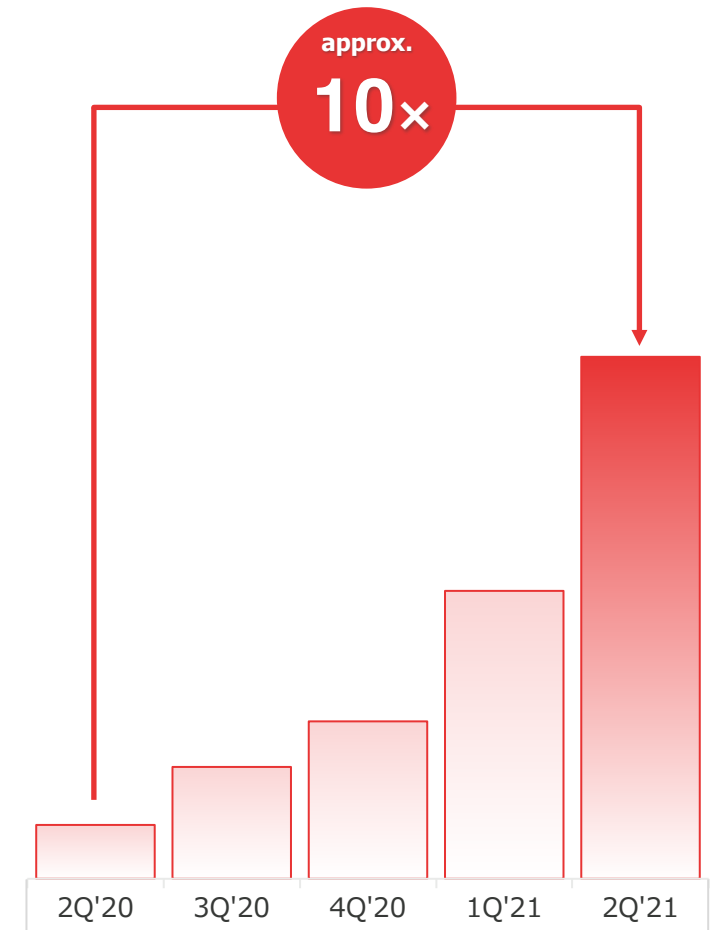
### Sharing Delivery GMV



### Sharing Delivery Merchants



### # of Delivery Staff

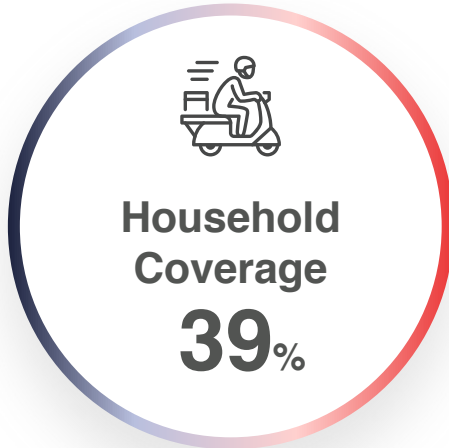
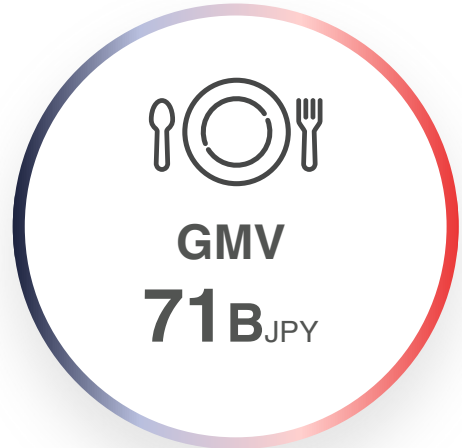


# Progress of Mid-term Plan : 1<sup>st</sup> half review and 2<sup>nd</sup> half plan

Aug. 2021 Target: 160B JPY  
Progress : 43%

Aug. 2021 Target: 75K  
Progress : 62%<sup>1</sup>

Aug. 2021 Target: 36%



*'Delivery as part of Everyday Life'*

2023

2022

## Expansion of Coverage

2021

### Priority Initiatives

**A** Improve Brand Value/ Recognition

**B** New User Acquisition

**C** Expand Delivery Area/ Merchant

**D** New System Development

1. 26K merchants acquired out of 42K targeted by the end of 2Q'21

# Demaecan's Key Initiative

## Cloud Kitchen

Merchants can join Demaecan without a brick-and-mortar restaurant — providing support to start delivery business





# Initiatives toward Social Responsibility

## Job Creation

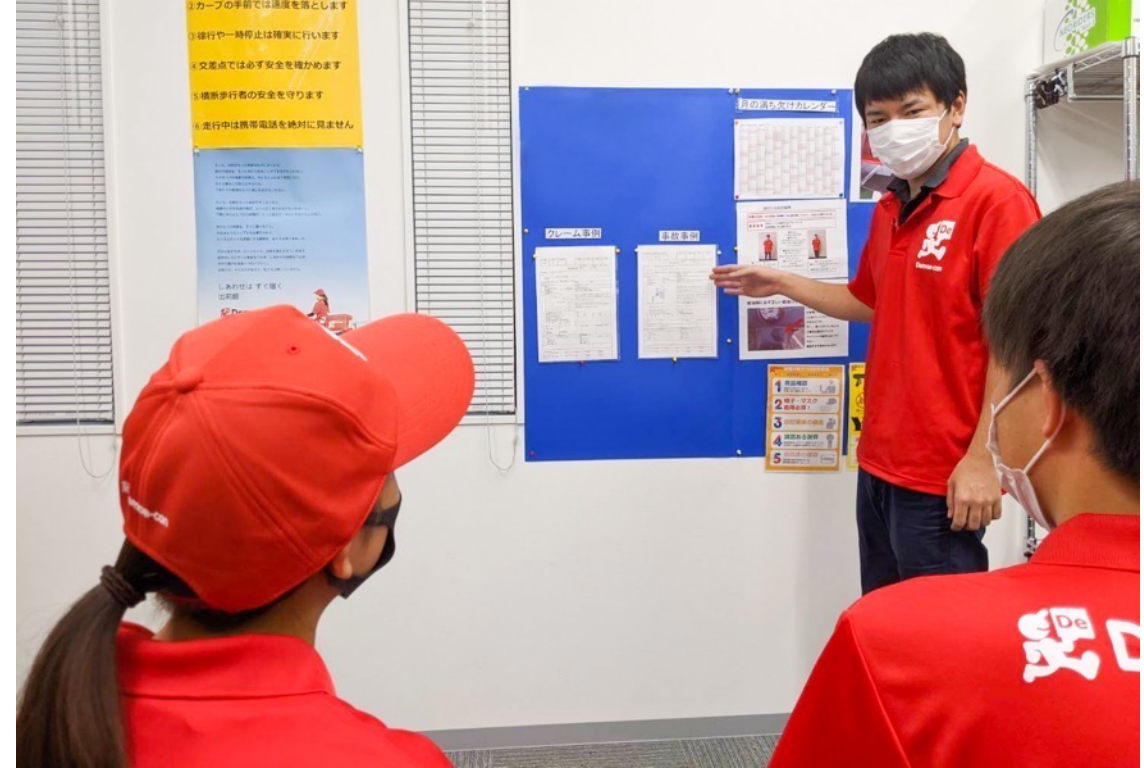
Temporarily employing staff of restaurants impacted by Covid-19



# Initiatives toward Social Responsibility

## Traffic Safety

- Promoted traffic safety together with Metropolitan Police Department
- Created a bicycle traffic safety awareness video in cooperation with Osaka Prefecture South Police Station and a talent agency



# Initiatives toward Social Responsibility

## Government & Community

- Promoted food delivery during Covid-19 supported by local governments
- Provided meals to orphanages and after-school care in collaboration with Juvenile Equal Opportunity, a public organization



# Financial Highlights

# Demae-can Business Model

## Revenue model<sup>1</sup>

	Fee type	Marketplace (Delivery by merchant)	Sharing Delivery (Delivery by Demae-can)
Merchant	Demae-can Service Fee	<b>10%</b> of merchant sales <sup>2</sup>	
	Delivery Commission	—	<b>25%</b> of merchant sales
	Payment Service (Other)	<b>A few %</b> of order value	
User	Delivery Commission		Delivery fee

## Cost model



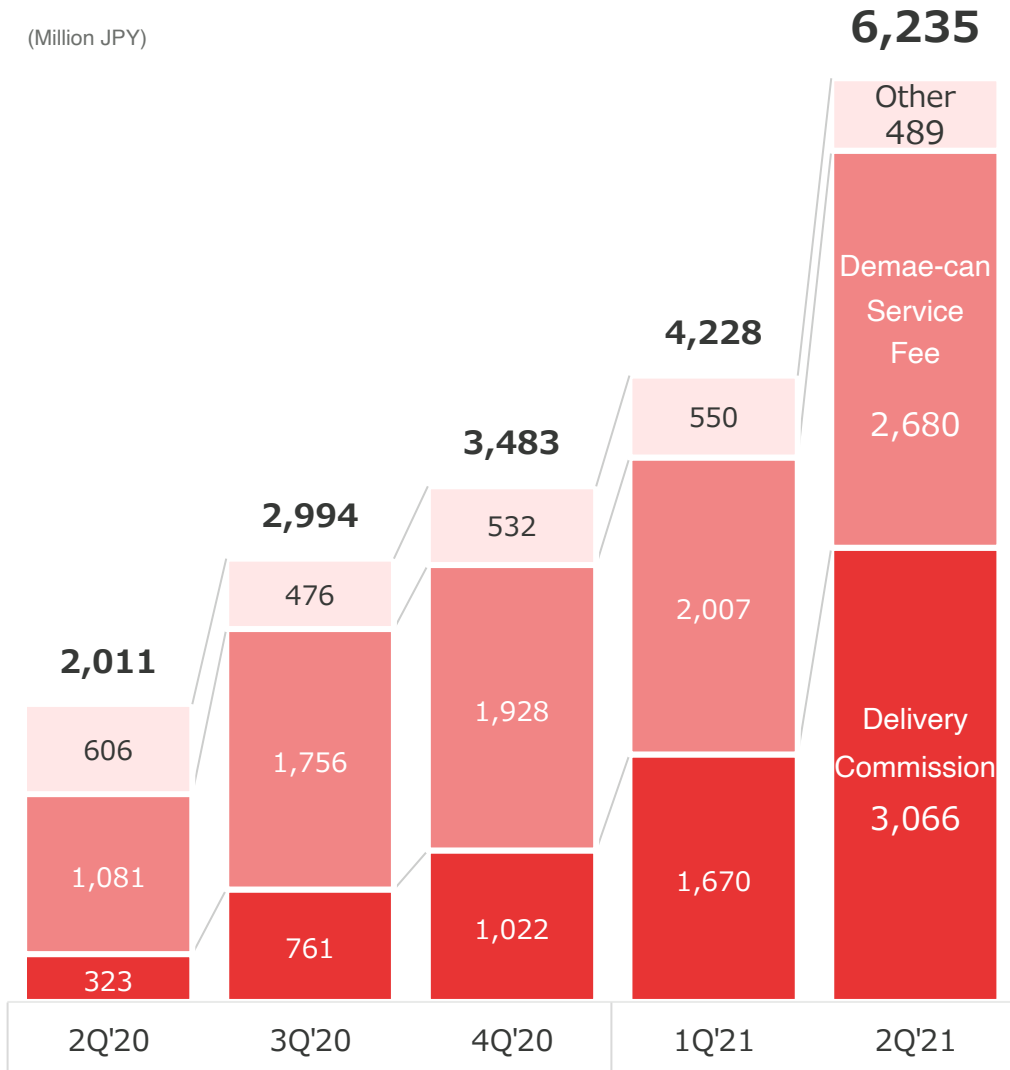
1. As of March 2021

2. Includes delivery fee paid by user in the case of Marketplace

# Revenue

(Million JPY)

YoY 310%



## Other

YoY (117M) JPY (YoY 81%)

Decline of commerce business revenue from subsidiary

## Demae-can Service Fee

YoY +1,598M JPY (YoY 248%)

Increase in orders due to the expansion of merchants and users

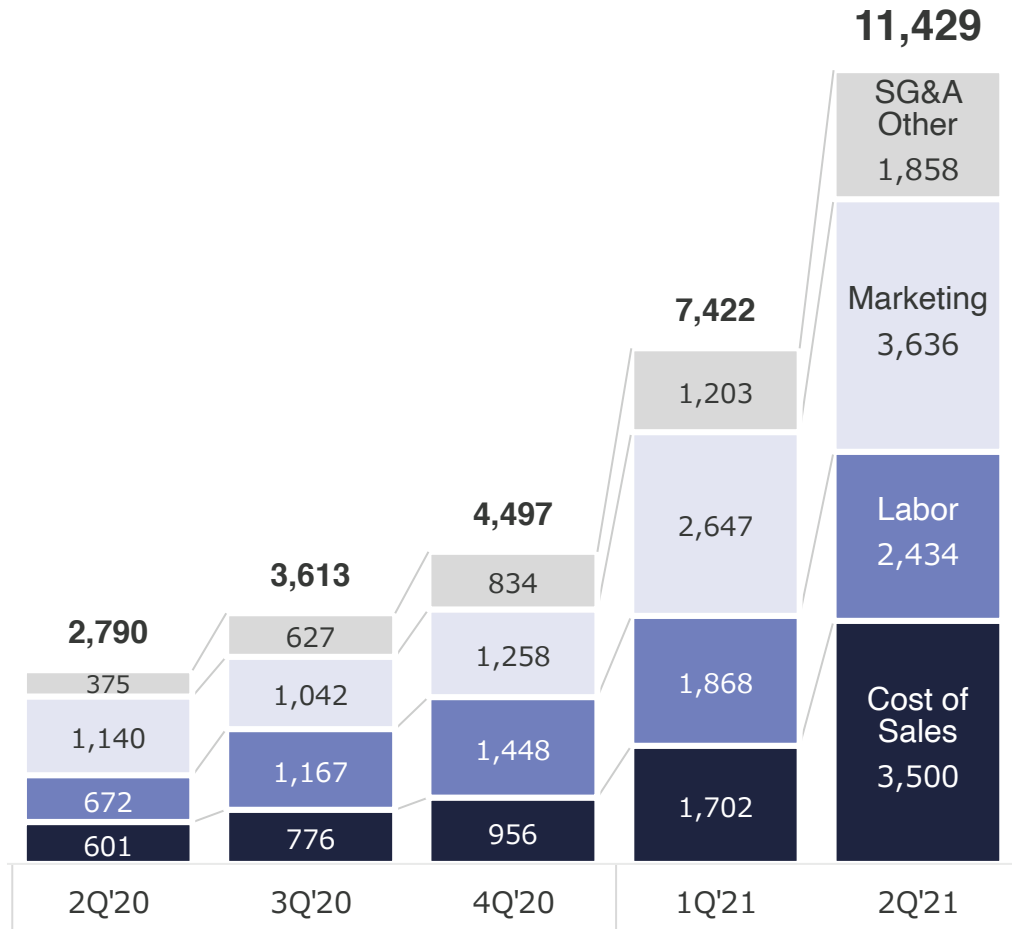
## Delivery Commission

YoY +2,742M JPY (YoY 948%)

Increase in the number of sharing delivery orders

# Cost of Sales / SG&A

(Million JPY)



## SG&A Other

**YoY +1,483M JPY (YoY 495%)**  
 Increase in outsourcing fee (merchant acquisition)

## Marketing

**YoY +2,495M JPY (YoY 319%)**  
 Increase in campaign and promotion cost

## Labor

**YoY +1,761M (YoY 362%)**  
 Increase in part-time delivery staff

## Cost of Sales

**YoY +2,898M (YoY 582%)**  
 Increase in outsourcing fee (delivery staff)

# Appendix



# Summary of Consolidated Income Statement



(Million JPY)	August 2020				August 2021		August 2021 2Q	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
<b>Net Sales</b>	<b>1,817</b>	<b>2,011</b>	<b>2,994</b>	<b>3,483</b>	<b>4,228</b>	<b>6,235</b>	<b>310.0%</b>	<b>147.5%</b>
Demae-can Service Fee	957	1,081	1,756	1,928	2,007	2,680	247.8%	133.5%
Delivery Commission	217	323	761	1,022	1,670	3,066	948.0%	183.6%
Other	642	606	476	532	550	489	80.7%	88.9%
<b>Cost of Sales</b>	<b>689</b>	<b>601</b>	<b>776</b>	<b>956</b>	<b>1,702</b>	<b>3,500</b>	<b>582.0%</b>	<b>205.6%</b>
<b>Gross Profit</b>	<b>1,128</b>	<b>1,410</b>	<b>2,217</b>	<b>2,527</b>	<b>2,525</b>	<b>2,735</b>	<b>194.0%</b>	<b>108.3%</b>
Gross Margin	62.1%	70.1%	74.1%	72.5%	59.7%	43.9%	(26.2)%	(15.9)%
<b>SG&amp;A</b>	<b>1,338</b>	<b>2,189</b>	<b>2,837</b>	<b>3,541</b>	<b>5,719</b>	<b>7,929</b>	<b>362.2%</b>	<b>138.6%</b>
Labor	584	672	1,167	1,448	1,868	2,434	361.9%	130.3%
Marketing	475	1,140	1,042	1,258	2,647	3,636	318.7%	137.4%
Other	278	375	627	834	1,203	1,858	495.1%	154.5%
<b>Operating Profit</b>	<b>(210)</b>	<b>(779)</b>	<b>(619)</b>	<b>(1,014)</b>	<b>(3,194)</b>	<b>(5,193)</b>	<b>-</b>	<b>-</b>

# Breakdown of each category

Revenue	
Demae-can Service Fee	<ul style="list-style-type: none"><li>• Demae-can platform fee</li></ul>
Delivery Commission	<ul style="list-style-type: none"><li>• Sharing delivery fee</li></ul>
Other	<ul style="list-style-type: none"><li>• Payment service fee</li><li>• Commerce business revenue from subsidiary</li></ul>

Cost of Sales/SG&A	
Cost of Sales	<ul style="list-style-type: none"><li>• Outsourcing fee (delivery staff)</li><li>• System operating costs, etc.</li><li>• Payment service fee</li></ul>
Labor	<ul style="list-style-type: none"><li>• Part-time fee (delivery staff)</li><li>• Employee, stock option</li></ul>
Marketing	<ul style="list-style-type: none"><li>• Advertisement cost</li><li>• Promotion cost</li></ul>
SG&A	<ul style="list-style-type: none"><li>• Outsourcing fee (merchant acquisition)</li><li>• Lease and supplies</li><li>• Commissions</li><li>• Rent and others</li></ul>

**Thank you** 